

CENTRAL IRON ORE LIMITED

Management Discussion and Analysis (Form 51-102F1)

For the quarter ended December 31, 2015

Information as of February 29, 2016 unless otherwise stated

Note to Reader

The following management discussion and analysis of the financial condition and results of operations of Central Iron Ore (“CIO” or “the Company”) should be read in conjunction with the Company’s annual audited financial statements for the year ended June 30, 2015, together with the notes thereto, as well as the Company’s previous financial and MD&A reports. These annual audited financial statements have been prepared in accordance with International Financial Reporting Interpretation (IFRS).

Forward-Looking Information

This discussion includes certain statements that may be deemed “forward-looking statements.” All statements in this discussion, other than statements of historical facts that address future production, reserve potential, exploration drilling, exploration activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking statements.

Business of the Company

Since listing on the TSX Venture Exchange (“TSX-V”) in 2007, CIO’s business has primarily involved acquiring and conducting exploration activities on prospective exploration and mining projects in Australia and Tanzania.

In recent years the Company has refocused its activities on the acquisition of projects considered to be prospective for iron ore in Australia. The Company has discontinued exploration of its Tanzanian uranium assets and has repositioned its British King and Eureka gold mines into two regional exploration and development gold prospects.

On November 10, 2015, CIO announced that it has entered into an agreement for the AUD\$1.1 million sale of its British King Gold Mine (“Project”) in Western Australia to BK Gold Mines Pty Ltd (“Purchaser”).

The consideration payable by the Purchaser for the acquisition of the Project includes a AUD\$250,000 payment on completion of the acquisition, with the balance of the consideration to be paid in three tranches upon the satisfaction of certain production

milestones from the Project, as set out below.

Tranche 1: The Purchaser must deliver to CIO 150 troy ounces of gold upon the production and sale of 5,000 troy ounces of gold from the Project, upon which the Purchaser will acquire a further 14% interest in the Project (resulting in a total interest for the Purchaser of 65%).

Tranche 2: The Purchaser must deliver to CIO 175 troy ounces of gold upon the production and sale of 7,500 troy ounces of gold from the Project, upon which the Purchaser will acquire a further 15% interest in the Project (resulting in a total interest for the Purchaser of 80%).

Tranche 3: The Purchaser must deliver to CIO 215 troy ounces of gold upon the production and sale of 10,000 troy ounces of gold from the Project, upon which the Purchaser will acquire a further 20% interest in the Project (resulting in a total interest for the Purchaser of 100%).

Exploration and Development Update

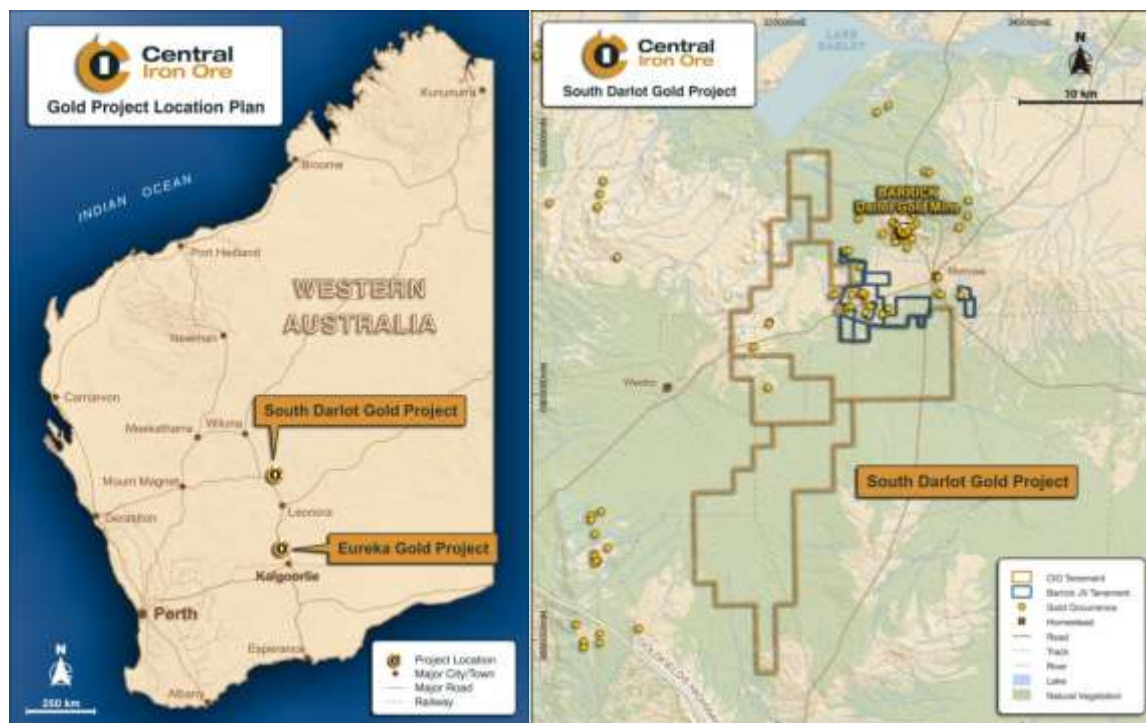
During the quarter ended December 31, 2015, the Company:

- continued its gold exploration strategy; and
- completed its divestment in iron ore properties.

SOUTH DARLOT GOLD PROJECT (Western Australia)

The Company's South Darlot Gold Project area is located approximately 320km northwest of Kalgoorlie in Western Australia and includes:

- The British King Mine which is 49% owned by the Company and which is National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI43-101”) compliant. The British King Mine is 5km southwest of Barrick Gold Corporation Limited's Darlot Mine. The British King Mine is currently under care and maintenance.
- A 100% CIO owned tenement package covering 267km².
- A number of tenements which are subject to a joint venture with subsidiaries of Barrick Gold Corporation Limited (“Barrick”), details of which are set out below, in which CIO has earned a 70% interest.



The Company's current 100% owned South Darlot Gold Project tenement package covers 267km². Details of the Company's 100% owned South Darlot Gold Project and British King Project tenements are set out below.

Project	Tenement	Status	Area (km ²)
South Darlot	E37/882	Granted	84
South Darlot	E37/1054	Granted	33
South Darlot	E37/1085	Granted	24
South Darlot	E37/1086	Granted	3
South Darlot	E37/1106	Granted	123
British King	M37/30	Granted	0.1
British King	P37/7026	Granted	0.1

The Company's strategy and objective in respect of the South Darlot Gold Project is to evaluate the gold prospectivity of the region, generate targets, consolidate the tenement position and acquire all necessary access approvals in order to progress to the next stage of exploration. The Company has identified seven prospective targets on its 100% owned tenements and intends to systematically evaluate those targets.

British King Sale

On December 02, 2014, CIO announced that it has completed the AUD\$1.1 million sale of its British King Gold Mine in Western Australia to BK Gold Mines Pty Ltd.

On November 10, 2014, CIO announced that it has entered into an agreement for the AUD\$1.1 million sale of its British King Gold Mine ("Project") in Western Australia to BK Gold Mines Pty Ltd ("Purchaser").

The consideration payable by the Purchaser for the acquisition of the Project includes a AUD\$250,000 payment on completion of the acquisition, with the balance of the consideration to be paid in three tranches upon the satisfaction of certain production milestones from the Project, as set out below.

Tranche 1: The Purchaser must deliver to CIO 150 troy ounces of gold upon the production and sale of 5,000 troy ounces of gold from the Project, upon which the Purchaser will acquire a further 14% interest in the Project (resulting in a total interest for the Purchaser of 65%).

Tranche 2: The Purchaser must deliver to CIO 175 troy ounces of gold upon the production and sale of 7,500 troy ounces of gold from the Project, upon which the Purchaser will acquire a further 15% interest in the Project (resulting in a total interest for the Purchaser of 80%).

Tranche 3: The Purchaser must deliver to CIO 215 troy ounces of gold upon the production and sale of 10,000 troy ounces of gold from the Project, upon which the Purchaser will acquire a further 20% interest in the Project (resulting in a total interest for the Purchaser of 100%).

In the event that the Purchaser fails to make any of the payments referred to above by the date required under the agreement, the Purchaser will be required to transfer back to CIO all of its then existing percentage interest in the Project and CIO will grant to the Purchaser a gross value royalty in respect of gold extracted from the Project. The percentage royalty interest will be determined as follows:

Purchaser Project Interest	Gross Value Royalty
51%	1.25%
65%	1.625%
80%	2%
100%	2.5%

In addition to the consideration set out above, the Purchaser will pay AUD\$5,000 per month to CIO for rental of the equipment located at the Project site, until such time as the Purchaser acquires a 100% interest in the Project (subject to the earlier termination of the agreement).

Completion of the sale and purchase of the Project is conditional upon and subject to the satisfaction of a number of conditions precedent including CIO obtaining any consents, approvals, authorisations or clearances which are required for the sale and purchase of the Project (including any required TSXV approvals), the Purchaser obtaining finance for the acquisition on terms acceptable to it (acting reasonably) and the Project being free of any security interest by November 14, 2014 or by such later date as the parties may agree in writing.

Barrick Joint Venture Project (Western Australia)

The tenements set out in the table below (“Barrick JV Tenements”) are the subject of a joint venture between the Company and subsidiaries of Barrick (“Barrick JV”), and are situated southwest of Barrick’s Darlot gold mine and are contiguous with CIO’s current holdings in the area. The Barrick JV Tenements are detailed below.

Project	Tenement	Status	Area (ha)
Barrick JV	M37/421	Granted	381
Barrick JV	M37/552	Granted	200
Barrick JV	M37/631	Granted	776
Barrick JV	M37/632	Granted	595
Barrick JV	M37/709	Granted	98
Barrick JV	M37/1045	Granted	90

The Company’s strategy and objective for the Barrick JV Tenements is to evaluate their gold prospectivity and deliver on target generation and access. The Company has identified 24 prospective targets on the Barrick JV Tenements and will systematically evaluate those targets, with a priority being placed on the exploration of the Mermaid and Endeavour Prospects.

As at the date of this report, the Company has earned a 70% interest in the Barrick JV Tenements in accordance with the Barrick JV and is continuing exploration on the Barrick JV Tenements.

During the year ended June 30, 2014, Barrick's interests in the Darlot region (including Barrick's interests in the Barrick JV Tenements and its rights and obligations under the Barrick JV) were acquired by Gold Fields Limited.

Quarterly Activity

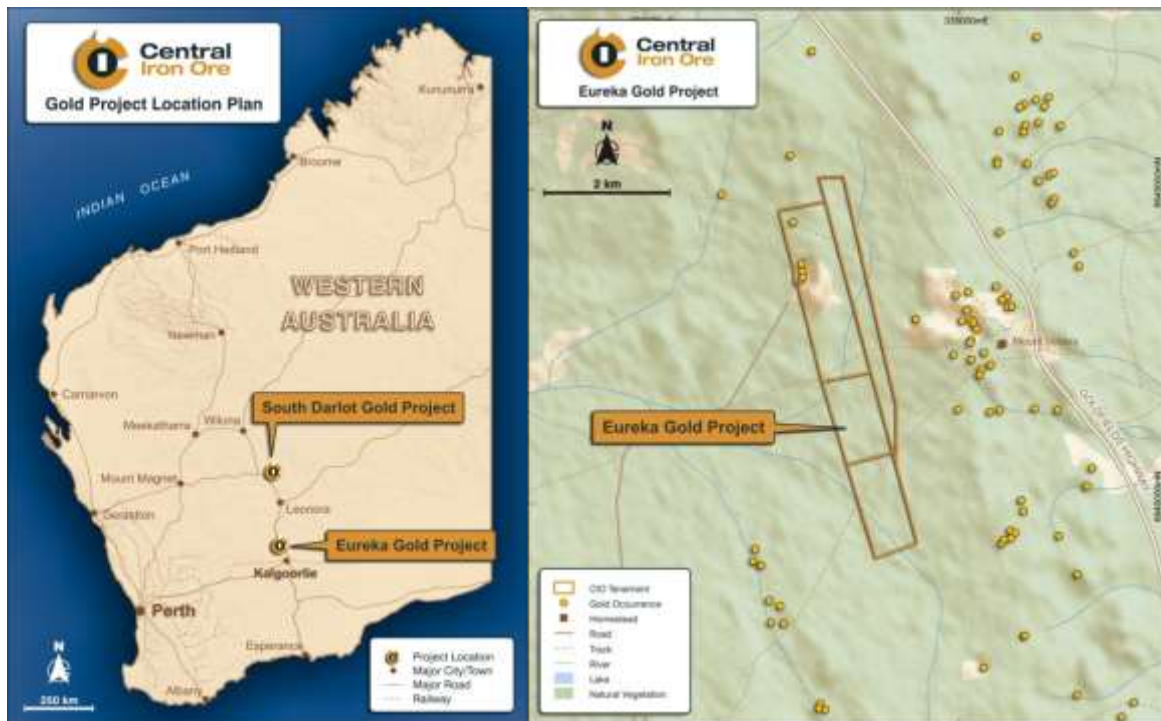
- Annual reporting obligations for tenements.
- Quarterly HSE inspection.
- Evaluating its core tenement portfolio.
- Surrendered 4 Prospecting tenements on January 21, 2016.

Project	Tenement	Status	Area (ha)
Barrick JV	P37/7364	Granted	197
Barrick JV	P37/7365	Granted	200
Barrick JV	P37/7366	Granted	113
Barrick JV	P37/7367	Granted	45

EUREKA GOLD PROJECT (Western Australia)

The Eureka gold project is approximately 50km north of Kalgoorlie and includes the Eureka open pit gold mine which is 100% owned by the Company and is NI43-101 compliant. The Eureka gold mine is currently under care and maintenance. The Company's tenement package comprising the Eureka gold project covers 563 hectares.

Project	Tenement	Status	Area (ha)
Eureka Gold	M24/189	Granted	218.15
Eureka Gold	M24/584	Granted	110.5
Eureka Gold	M24/585	Granted	104.5
Eureka Gold	M24/586	Granted	130



Quarterly Activity

- Quarterly HSE inspection
- Annual reporting obligations for tenements.

Yilgarn Iron Ore Project (Western Australia)

The Company has completely divested its iron ore tenements as a strategy to reduce costs.

MINERAL PROPERTIES (all amounts in Australian dollars)

Tenement	Status	Area (km ²)	Grant Date	Expiry Date	Annual Rent	Expenditure
M24/189	Granted	2.18	15/02/1988	14/02/2030	\$3,035.34	\$21,900
M24/584	Granted	1.10	25/10/2000	24/10/2021	\$1,538.46	\$11,100
M24/585	Granted	1.04	25/10/2000	24/10/2021	\$1,455.30	\$10,500
M24/586	Granted	1.30	25/10/2000	24/10/2021	\$1,801.80	\$13,000
E37/882	Granted	84	26/03/2008	25/03/2015	\$8,856.21	\$47,000
E37/1054	Granted	33	1/04/2011	30/03/2016	\$1,332.21	\$20,000
E37/1085	Granted	24	12/08/2011	11/08/2016	\$1,021.50	\$20,000
E37/1086	Granted	3	12/08/2011	11/08/2016	\$273.00	\$10,000
E37/1106	Granted	123	22/06/2012	21/06/2017	\$4,784.70	\$41,000
M37/30	Granted	0.1	4/07/1984	3/07/2026	\$159.50	\$10,000
L37/162	Granted	0.1	25/10/2006	24/10/2027	\$99.33	

Barrick JV Tenement Package

Tenement	Status	Area (ha)	Grant Date	Expiry Date	Annual Rent	Expenditure
M37/421	Granted	381	24/11/1993	23/11/2014	\$6,075.95	\$38,100
M37/552	Granted	200	5/12/2008	4/12/2029	\$3,190.00	\$20,000
M37/631	Granted	776	23/05/2007	22/05/2028	\$12,393.15	\$77,700
M37/632	Granted	595	23/05/2007	22/05/2028	\$9,490.25	\$59,500
M37/709	Granted	98	23/01/2008	22/01/2029	\$1,563.00	\$10,000
M37/1045	Granted	90	25/02/2009	24/02/2030	\$1,485.00	\$10,000

CORPORATE UPDATE

BRITISH KING SALE

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RISKS AND UNCERTAINTIES

The Company is subject to a number of risk factors due to the nature of its business and its present stage of development. The following risk factors should be considered:

General

The Company is an Australian junior mineral exploration and development company listed on the TSX-V and engaged in the exploration and development of mineral properties located in Western Australia. It has not yet determined whether all of its properties contain mineral reserves that are economically recoverable. The recoverability of the amounts shown for resource assets is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties. The Company's ability to continue its operations is dependent on its ability to secure additional financing, and while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. In order to continue developing its mineral properties, management is actively pursuing such additional sources of financing that may be required.

The Company's financial statements and discussion and analysis of the financial condition, changes in financial condition and results of operations of the Company for the year ended June 30, 2015 do not include the adjustments that would be necessary should the Company be unable to continue as a going concern.

The Company's administrative expenditure is related to the level of financing and exploration and development activities that are being conducted, which in turn may depend on the Company's recent exploration and development experience and prospects, as well as the general market conditions relating to the availability of funding for exploration and development-stage resource companies. Consequently, the Company does not acquire properties or conduct exploration and development work on them on a pre-determined basis and as a result there may not be predictable or observable trends in the Company's business activities and comparisons of financial operating results with those of prior years may not be meaningful.

Trends

The Company's financial success is dependent upon the discovery of commercial mineral resources which could be economically viable to develop. The sales value of any mineralization discovered by the Company is largely dependent upon factors beyond the Company's control, such as the market value of the products produced. Other than as disclosed herein, the Company is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on the Company's sales or revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

Competitive Conditions

The resource industry is intensively competitive in all of its phases. The Company competes with other mining companies for the acquisition of mineral claims and other mining interests as well as for the recruitment and retention of qualified employees and contractors. The Company competes with many other companies that have substantially greater financial resources than the Company and its ability to compete is dependent of being able to raise additional funds as and when required.

Environmental Factors and Protection Requirements

The Company currently conducts exploration and development activities in Western Australia. All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards, enforced by increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. There is no assurance that regulatory and environmental approvals will be obtained on a timely basis, or on terms acceptable to the Company, or at all. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of the Company's operations or to preclude entirely the economic development of a property. Environmental hazards may exist on the properties which are unknown to the Company at present which have been caused by previous or existing owners or operators of the properties. The Company is currently engaged in exploration with minimal environmental impact.

Mineral Exploration and Development

The Company's properties are in the exploration and development stage. Development of the Company's properties will only proceed upon obtaining satisfactory exploration results. Mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that mineral exploration and development activities will result in the discovery of an ore body of commercial minerals on any of the Company's properties. Several years may pass between the discovery of a deposit and its exploitation. Most exploration projects do not result in the discovery of commercially mineralized deposits.

Operating Hazards and Risks

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of resources, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, labor disruptions, flooding, explosions, landslides and the inability to obtain suitable or adequate machinery, equipment or labor are some of the risks involved in the operation of mines and the conduct of exploration programs. Although the Company will, when appropriate, secure liability insurance in an amount which it considers adequate, the nature of these risks is such that liabilities might exceed policy limits, the liability and hazards might not be insurable, or the Company might elect not to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a material adverse effect upon its financial condition.

Economics of Developing Mineral Properties

Substantial expenditures are required to establish reserves through drilling, to develop processes to extract minerals and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis. The marketability of any minerals acquired or discovered may be affected by numerous factors which are beyond the Company's control and which cannot be predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Commodity Prices

The Company's revenues, if any, are expected to be in large part derived from the mining and sale of minerals or interests related thereto. The price of various minerals have fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international economic and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of mineral substitutes, mineral stock levels maintained by producers and others and inventory carrying costs. The effect of these factors on the price of various minerals, and therefore the economic viability of the Company's operations cannot accurately be predicted.

Currency Risk

The Company's revenues and expenses are incurred in Australian dollars, though its financings are completed in Canadian dollars. Although the Company has taken certain steps to help mitigate foreign currency fluctuations, there is no assurance that these activities or products are or will continue to be effective. Accordingly, the inability of the Company to obtain or to put in place effective hedges could materially increase its exposure to fluctuations in the value of the Canadian dollar relative to the Australian dollar. This could adversely affect the Company's financial position and operating results.

Title

There is no guarantee that title to properties in which the Company has a material interest will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers, and title may be affected by undetected defects.

Governmental Regulation

Operations, development and exploration on the Company's properties are affected to varying degrees by:

- (i) government regulations relating to such matters as environmental protection, health, safety and labour;
- (ii) mining law reform;
- (iii) restrictions on production, price controls, and tax increases;
- (iv) maintenance of claims;
- (v) tenure; and
- (vi) expropriation of property.

There is no assurance that future changes in such regulations, if any, will not adversely affect the Company's operations. Changes in such regulations could result in additional expenses and capital expenditures, availability of capital, competition, reserve uncertainty, potential conflicts of interest, title risks, dilution, and restrictions and delays in operations, the extent of which cannot be predicted. If any of the Company's projects are advanced to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labour standards, environmental protection, mine safety and other matters. In addition, new laws or regulations governing operations and activities of mining companies could have a material adverse impact on any project in the mine development stage that the Company may possess.

Management and Directors

The Company is dependent on a relatively small number of directors:

- Richard Homsany - Chairman
- Brett Hodgins - President / CEO
- Anthony Howland-Rose - Director
- Hugh Pinniger - COO
- David Deitz - CFO

Conflicts of Interest

Certain officers and directors of the Company are officers and/or directors of, or are associated with, other natural resource companies that acquire interests in mineral properties. Such associations may give rise to conflicts of interest from time to time. The directors are required by law, however, to act honestly and in good faith with a view to the best interests of the Company and its shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a director for the approval of any such transaction.

Limited Operating History: Losses

The Company has experienced losses in previous years of its operations. There can be no assurance that the Company will operate profitably in the future, if at all. As at December 31, 2015 the Company's deficit was \$21,355,973.

Price Fluctuations: Share Price Volatility

For the quarter ended December 31, 2015, the closing price of the Company's shares fluctuated from a high of \$0.01 per share to a low of \$0.005 per share. There can be no assurance that continual fluctuations in price will not occur.

Exploration Target

The estimates of exploration target sizes mentioned in this document should not be misunderstood or misconstrued as estimates of mineral resources as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”). The potential quantity and grade of the exploration targets are conceptual in nature and there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource.

Market Conditions

Global Economy

In 2015, global economic activity remained subdued. Growth in emerging market and developing economies—while still accounting for over 70 percent of global growth—declined for the fifth consecutive year, while a modest recovery continued in advanced economies. Three key transitions continue to influence the global outlook: (1) the gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing toward consumption and services, (2) lower prices for energy and other commodities, and (3) a gradual tightening in monetary policy in the United States in the context of a resilient U.S. recovery as several other major advanced economy central banks continue to ease monetary policy.

Overall growth in China is evolving broadly as envisaged, but with a faster-than-expected slowdown in imports and exports, in part reflecting weaker investment and manufacturing activity. These developments, together with market concerns about the future performance of the Chinese economy, are having spillovers to other economies through trade channels and weaker commodity prices, as well as through diminishing confidence and increasing volatility in financial markets. Manufacturing activity and trade remain weak globally, reflecting not only developments in China, but also subdued global demand and investment more broadly—notably a decline in investment in extractive industries. In addition, the dramatic decline in imports in a number of emerging market and developing economies in economic distress is also weighing heavily on global trade.

Oil prices have declined markedly since September 2015, reflecting expectations of sustained increases in production by Organization of the Petroleum Exporting Countries (OPEC) members amid continued global oil production in excess of oil consumption.¹ Futures markets are currently suggesting only modest increases in prices in 2016 and 2017. Prices of other commodities, especially metals, have fallen as well.

Lower oil prices strain the fiscal positions of fuel exporters and weigh on their growth prospects, while supporting household demand and lowering business energy costs in importers, especially in advanced economies, where price declines are fully passed on to end users. Though a decline in oil prices driven by higher oil supply should support global demand given a higher propensity to spend in oil importers relative to oil exporters, in current circumstances several factors have dampened the positive impact of lower oil prices. First and foremost, financial strains in many oil exporters reduce their ability to smooth the shock, entailing a sizable reduction in their domestic demand. The oil price decline has had a notable impact on investment in oil and gas extraction, also subtracting from global aggregate demand. Finally, the pickup in consumption in oil importers has so far been somewhat weaker than evidence from past episodes of oil price declines would have suggested, possibly reflecting continued deleveraging in some of these economies. Limited pass-through of price declines to consumers may also have been a factor in several emerging market and developing economies.

Monetary easing in the euro area and Japan is proceeding broadly as previously envisaged, while in December 2015 the U.S. Federal Reserve lifted the federal funds rate from the zero lower bound. Overall, financial conditions within advanced economies remain very accommodative. Prospects of a gradual increase in policy interest rates in the United States as well as bouts of financial volatility amid concerns about emerging market growth prospects have contributed to tighter external financial conditions, declining capital flows, and further currency depreciations in many emerging market economies.

Headline inflation has broadly moved sideways in most countries, but with renewed declines in commodity prices and weakness in global manufacturing weighing on traded goods' prices it is likely to soften again. Core inflation rates remain well below inflation objectives in advanced economies. Mixed inflation developments in emerging market economies reflect the conflicting implications of weak domestic demand and lower commodity prices versus marked currency depreciations over the past year.

(Source: IMF World Economic Outlook, January, 2016, www.imf.org)

Gold Market

Annual demand was almost unchanged at 4212.2t, contracting by a negligible amount (-14t). Q4 demand strengthened to equal its long-term average.

After a challenging first half-year, gold demand steadied and strengthened between July and December. For the last two quarters, demand was bang in line with its five-year average. The gold market faced a number of obstacles in the first half of the year. This is clear in the data: H1 demand declined by 6% year-on-year, due to a sluggish Q1 followed by a very weak Q2.

There were a number of reasons for the weakness in H1. Extreme adverse weather patterns buffeted Indian demand for jewellery. Economic slowdown combined with financial market turbulence hit demand in China. And global investment was undermined by the largely range-bound gold price and a resurgence in risk appetite, which went hand-in-hand with a more positive outlook for the US economy.

There were other detrimental factors, too: Turkey's currency plummeted on domestic political upheaval; and the falling oil price and regional conflict damaged demand in the Middle East.

All in all, not favourable conditions for gold demand. But the second half of 2015 was a different story.

Economic and political risks remained stubbornly high: plunging oil prices, conflict in the Middle East, and China's economic slowdown, to name just a few. Against this background, official sector institutions continued to recognise the need for diversification of their reserve asset portfolios.

Russia tipped the scales with purchases in the region of 200t over the course of the year, of which around 141t were bought between July and December.

Sales by a couple of central banks highlighted the important role that gold can play in times of need. Colombia's economy, currency and financial markets have been pounded by the sliding oil price, given the country's dependence on oil exports. The central bank sold just under 7t of gold in the third quarter, around two thirds of its total gold reserves. The funds raised would have helped to ease the crippling pressure on the nation's finances.

The most significant development of H2 was the announcement that China's central bank had accumulated over 600t during the preceding six years. While this took some by surprise, the increase was in line with our estimate and was already fully accounted for in

our data, which has consistently allocated an amount to Chinese official sector demand. Hence, no revision was required to our historical series.

(Source: World Gold Council, Full Year 2015 Gold Demand Trends report, Feb, 2016.)

SELECTED FINANCIAL INFORMATION

The following table sets forth selected financial information of the Company for, and as at the end of, each of the last three financial years of the Company up to and including June 30, 2015. This financial information is derived from the financial statements of the Company. The Company prepares financial information according to IFRS and all information is reported in Australian dollars.

	June 2015	June 2014	June 2013
Income from continuing operations	40,785	6,634	108,459
Net loss for the year	(348,114)	(706,152)	1,458,134)
Net loss per share	(0.010)	(0.01)	(0.020)
Total Assets	2,904,582	3,374,754	3,884,928
Total Long-term financial liabilities	0	0	242,520

RESULTS OF OPERATIONS AND FINANCIAL CONDITION

(all amounts in Australian dollars)

The Company has not recognized any revenue or incurred any loss from discontinued operations or extraordinary items since becoming a reporting issuer.

During the last three (3) financial years, the Company has consistently reported net losses. The most significant factor affecting losses during the last three financial years is continuing administrative expenses, which includes consulting, professional fees, salaries, management fees, office and miscellaneous expenses. Other factors affecting losses include amortization and exploration and development costs.

Income is predominantly derived from interest income. Interest income is dependent upon interest rates and the amount of financing raised each year by the Company (if any). Interest rates will vary due to market conditions and the Company has no control over the fluctuation of rates.

No cash dividends have been declared or paid since the date of incorporation and the Company has no present intention of paying dividends on its common shares. The Company anticipates that all available funds will be invested to finance the growth of its business.

Exploration and Development Expenses

For the quarter ended December 31, 2015 the Company spent \$123,477 on exploration and development activities. This compares with \$53,765 for the corresponding quarter ended December 31, 2014. These costs have decreased compared to the previous financial year owing to funding.

Expensed and capitalized exploration and development costs, on a property by property basis are as follows:

Australian \$	December 2015	June 2015	June 2014
Expenses			
British King mine	1,232	15,987	82,006
Eureka mine	0	7,993	0
Tanzania	0	0	0
Yilgarn	857	5,138	10,656
Capitalized Expenses			
British King mine	110,854	124,116	160,101
Eureka mine	10,273	26,604	66,107
Yilgarn Project	2,350	45,100	(28,790)

Administrative Expenses

For the quarter ended December 31, 2015 the Company incurred administrative expenses of \$9,398 compared to \$63,071 for the quarter ended December 31, 2014

Income

Income is normally comprised of interest income. For the quarter December 31, 2015 the Company earned income of \$31,043, compared to income of \$467 for the quarter ended December 31, 2014. Interest income is dependent upon interest rates and the amount of financing raised each year by the Company (if any). Interest rates vary due to factors such as market conditions and the Company has no control over the fluctuation of rates.

Income Taxes

No provision has been made for income tax liability for the quarters ended December 31, 2015 and December 31, 2014.

Net Losses

The net loss for the quarter ended December 31, 2015 was \$144,115 compared with the net loss for the corresponding quarter ended December 31, 2014 of \$187,397.

Change in Financial Position

At December 31, 2015 the Company had total assets of \$2,858,436 compared to \$3,439,931 at December 31, 2014. Net assets decreased owing mainly to the use of cash. The Company had a cash balance of \$140,150 at December 31, 2015 compared to a cash balance of \$257,628 at December 31, 2014.

At December 31, 2015 the Company had a net working capital deficit of \$35,589 compared with a net working capital surplus of \$50,182 at December 31, 2014. The decrease in the Company's net working capital surplus results from exploration development costs and administration expenditure.

SUMMARY OF QUARTERLY INFORMATION (all amounts in Australian dollars)

The following table sets out a comparison of revenues and earnings for the previous eight (8) quarters to December 31, 2015. This financial information is derived from the financial statements of the Company. The Company prepares financial information according to Canadian GAAP and all information is reported in Australian dollars.

Australian \$	Quarter to Dec 31, 2015	Quarter to Sept 30, 2015	Quarter to Jun 30, 2015	Quarter to Mar 31, 2015	Quarter to Dec 31, 2014	Quarter to Sept 30, 2014	Quarter to Jun 30, 2014	Quarter to Mar 31, 2014
Income from continuing operations	31,043	5,400	40,785	471	250,469	2,565	453	1,424
Net profit/loss for the period	(128,345)	(144,115)	(348,114)	(29,546)	187,397	(27,787)	(897,052)	(13,821)
Net profit/loss per basic and diluted	(0.0018)	(0.002)	(0.0048)	0.0004	0.0026	(0.01)	(0.001)	(0.0002)

The Company has not recognized any revenue or incurred any loss from discontinued operations or extraordinary items since becoming a reporting issuer.

During the eight quarters, the Company has consistently reported net losses. The most significant factor affecting quarterly losses during the last 8 quarters is continuing administrative expenses, which includes amortization, consulting fees, interest, professional fees, listing and filing fees, expenses office and miscellaneous, property investigation costs, salaries and management fees and travel and accommodation costs.

Income is derived from interest, income, rental and a non-refundable deposit on the entry into a sale and purchase agreement for the Eureka Gold Project. Interest income is dependent upon interest rates and the amount of financing raised each year by the Company (if any). Interest rates vary due to factors such as market conditions and the Company has no control over the fluctuation of rates.

No cash dividends have been declared or paid since the date of incorporation and the Company has no present intention of paying dividends on its common shares. The Company anticipates that all available funds will be invested to finance the growth of its business.

LIQUIDITY AND CAPITAL RESOURCES

The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to acquire, explore and develop mineral properties. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration. The Company may, in the future, be unable to meet its obligations under agreements to which it is a party and the Company may consequently have its interest in the properties subject to such agreements jeopardized. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

The Company is dependent on raising funds by the issuance of shares or disposing of interests in its mineral properties (by options, joint ventures or outright sales) in order to finance further acquisitions, undertake exploration and development of mineral properties and meet general and administrative expenses in the immediate and long term. There can be no assurance that the Company will be successful in raising their required financing.

Apart from the initiatives discussed above, the Company is not aware of any trends, commitments or events that may affect its liquidity in the foreseeable future. The Company has not made any commitments for capital expenditures. For other Commitments see Note 15 to the Interim Financial Statements for December 31, 2015. Material increases or decreases in the Company's liquidity will be substantially determined by the success or failure of raising additional funds through private placements and its planned exploration programs.

As at December 31, 2015 the Company had a net working capital deficit of \$335,589.

The Company will meet its future cash commitments through further capital raisings as and when required.

COMMITMENTS

Certain future exploration activities are required to be undertaken by the Company in order to ensure it meets the minimum annual expenditure requirements for its mining tenements, as imposed by the Western Australian Department of Mines and Petroleum.

For details of the Company's Exploration and Other Commitments see Note 15 to the Financial Statements for June 30, 2015.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not engaged in any off-balance sheet arrangements such as obligations under guarantee contracts, a retained or contingent interest in assets transferred to an unconsolidated entity, any obligation under derivative instruments or any obligation under a material variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company or engages in leasing, hedging or research and development services with the Company.

ACCOUNTING POLICIES

Accounting policies are listed in Note 1 to the Financial Statements for June 30, 2015.

RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

- (a) Paid or accrued \$0 (Dec 31, 2014 - \$0) in consulting fees, to directors of the Company.
- (b) Paid or accrued \$0 (Dec 31, 2014 - \$0) in accounting fees to officers of the Company.
- (c) Paid or accrued \$0 (Dec 31, 2014 – \$0) in legal fees to Cardinals Corporate Pty Ltd trading as Cardinals Lawyers and Consultants, a related party by way of common directors.

Included in non-current liabilities - loans payable at December 31, 2015 was \$Nil (December 31, 2014 - \$Nil) owed to companies owned by directors and former directors of the Company. The Company paid or accrued \$Nil (December 31, 2014 - \$Nil) in interest expense related to the loans payable due to related parties.

These transactions were in the normal course of operations and, in management's opinion, were undertaken with the same terms and conditions as transactions with unrelated parties.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's size and number of staff impact its internal controls. Due to the limited number of staff it is not possible to achieve complete segregation of duties. Similarly the Company must engage accounting assistance with respect to complex, non-routine accounting issues, Canadian GAAP matters, tax compliance and reporting for its international operations.

Notwithstanding these weaknesses, the Company's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements and that information is timely and accurately disclosed consistent with Canadian securities laws and regulations.

Although the identified weaknesses may be considered to increase the risk that a material misstatement in the Company's financial statements would not be prevented or detected, neither has resulted in a material misstatement in the financial statements.

The Company's Chief Executive Officer and Chief Financial Officer oversee all material transactions and related accounting records. The audit committee of the Company, along with management, reviews the financial statements of the Company on a quarterly basis.

While management and the board of directors of the Company work to mitigate the risk of a material misstatement in the Company's financing reporting, the Company's control system, no matter how well designed or implemented, can only provide reasonable, but not absolute, assurance of detecting, preventing and deterring errors and fraud.

FINANCIAL INSTRUMENTS

Fair value estimates of financial instruments are made at a specific point of time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matter of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying value of cash, receivables, and accounts payable and accrued liabilities and amounts due to related parties approximate their fair market value because of the short-term nature of these instruments.

Outstanding Share Data As Of February 29, 2016:

Authorized and issued share capital:

Class	Par Value	Authorised Common Shares (No par value)	Issued
Common	No par value	Unlimited	72,710,741

As at February 29, 2016, there were nil stock options and nil warrants outstanding.

QUALIFIED PERSON'S STATEMENT

Mr Darryl Mapleson who is a Fellow of Australasian Institute of Mining and Metallurgy has compiled the information within this report relating to mineralisation and drill results. Mr Mapleson has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity currently being undertaken to qualify as a Competent Person as defined in NI 43-101.

OTHER INFORMATION

The Company's website address is www.centralironorelimited.com. Other information relating to the Company may be found on SEDAR at www.sedar.com.

BY ORDER OF THE BOARD

"Brett James Hodgins"

Brett James Hodgins, Director
President and CEO

"Richard Homsany"

Richard Homsany, Director
Chairman